



# **Doing Business In JAMAICA: A Country Commercial Guide for U.S. Companies**

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# Chapter 1: Doing Business In JAMAICA

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## Market Overview

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- The Jamaican economy, suffering the effects of Hurricane Dean and rising oil prices, is projected to grow by under two percent for 2007, below the three to four percent target for the year. Real GDP for the nine month period to September 2007 was 1.6 percent. While construction, distribution and financial services recorded relatively strong growth, it was largely nullified by declines in agriculture and mining, the sectors most affected by the hurricane. Growth could remain stagnant as certain sectors recover from the adverse weather conditions. The goods-producing sector should decline, but the services sector could accelerate on the back of increased stop-over tourist arrivals. However, serious challenges are expected to come from emerging macro-economic instability and in particular foreign exchange market and price volatility.
- The fiscal dynamics worsened during FY 2006/07, with GOJ operations generating a fiscal deficit of around USD 540 million or 5.3 percent of GDP, a significant deviation from the 2.5 percent target. The negative fiscal developments forced a postponement of the planned achievement of a balanced budget during the fiscal year. The fiscal position has improved for the first nine months of the 2007/08 fiscal year, with the fiscal deficit to GDP lagging projection by almost USD 55 million due to higher than anticipated revenue collections and one off gains. However, the fiscal deficit to GDP target for the full fiscal year is still programmed to be over five percent (original target of 4.5 percent), suggesting a continued deterioration in the medium term fiscal situation.
- Inflation in Jamaica surged to 16.8 percent for 2007, the highest rate registered in over a decade. At this level, prices were almost ten percentage points higher than the upper Government of Jamaica (GOJ) target of seven percent. Inflationary pressures were largely driven by soaring domestic agricultural and international commodity prices. Prices could continue to increase in 2008, but at a decreasing rate, particularly if a recession emerges in the U.S. which could reduce prices for oil and other commodities due to lower demand. However, inflationary impulses

could emanate from rising wages as Jamaican workers demand higher compensation to restore their living standards.

- The local currency, continued to slip against the U.S. Dollar in 2007, depreciating by 4.9 percent for the year. The decline against the weakening U.S. dollar was due to both demand and supply imbalances. Contributing to the supply shortfall were the: (1) lull in tourism receipts; (2) decline in private capital inflows due to the narrowing interest rate differential between domestic and international assets; (3) disruption caused by the hurricane; and, (4) uncertainty surrounding the general elections held in September. Demand pressures emanated from increased demand for foreign currency to meet rising commodity prices, as well as high levels of domestic liquidity. This forced the central bank to intervene in the market by offering higher yielding Jamaican Dollar instruments to absorb the excess liquidity, reversing the downward interest rate trend observed since 2004. The bank also sold part of its reserves, which led to a decline in the stock of Net International Reserves (NIR) to USD 1.88 billion at the end of December 2007.
- The US remains Jamaica's main trading partner accounting for around 40 percent of total trade. On average Jamaica imports and exports 45 and 30 percent of its goods from and to the US, respectively. Jamaica's other major trading partners in order of volume are Trinidad and Tobago, the UK, Canada, Japan and China.
- Bilateral relations between Jamaica and the United States are good. Although the two countries occasionally disagree over specific issues, most notably relations with Cuba, Jamaica has supported many U.S. objectives in the Caribbean region. There are no major political issues affecting the business climate in Jamaica. Both major political parties favor attracting foreign investment.

## **Market Challenges**

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- Since the early 1990's Jamaica has embarked on a program of gradual duty reduction, which has seen reductions in several categories. Permits and import licenses are now only required for a few items. These include meat, ground provisions, fruits, vegetables, drugs, firearms, used tires and two-way radios. While it has generally become easier to import items into Jamaica, technicalities exist, (such as the growing importance of standards issues), of which one needs to be aware.
- Jamaica operates a Common External Tariff (CET) along with other trading partners of the Caribbean Community (CARICOM). Goods imported from third countries are subject to the duties listed in the CET but goods imported from CARICOM countries and are certified to be of CARICOM origin do not generally

attract these import duties. These CARICOM origin goods enjoy duty-free status, that is, they are not subject to Customs import duty, but local taxes, General Consumption Tax and Special Consumption Tax are payable. For information on CARICOM, please visit [www.caricom.org](http://www.caricom.org)

- In addition to the Common External Tariff, other payable fees include the Customs User Fee and the Standards Compliance Fee (SCF). The SCF is 0.3% of the CIF value of the import and is collected on behalf of the Jamaica Bureau of Standards. Many items (such as motor vehicles) also attract additional special taxes. The General Consumption Tax (GCT) is also usually payable upon entry. The GCT is a sales tax, which is recoverable from the final consumer.

## **Market Opportunities**

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- The United States is Jamaica's primary trading partner. Proximity, quality and service have encouraged Jamaican businessmen to purchase from the United States.
- After a period of lackluster economic activity, projections are that Jamaica could have improved growth prospects in the years to come. Sectors, which should have good prospects are Building Products, Safety/Security Equipment, Telecommunications Equipment, Drugs and Pharmaceuticals. – tourism related activities, non-traditional agriculture – agribusiness and the ICT sector.
- The following sectors have attracted the most attention by foreign investors: Agribusiness, Chemicals and Minerals, Energy, Entertainment - Music and Film, Information and Communications Technology, Infrastructure, Mining and Tourism.
- Major projects include: The GOJ-led high-end Harmony Cove tourist development, several hotel developments, airport and seaport improvement, highway development, activities related to Cricket World Cup 2007, mining (bauxite/alumina and limestone), and energy.

## **Market Entry Strategy**

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- Several strategies may be considered for entering the Jamaican market.

- Agents and Distributors are commonly used and the U.S. Commercial Service will assist U.S. firms in their search.
- While business can be conducted through telephone conversations, it is more effective if this is limited to making appointments. In fact, most Jamaican businessmen are more comfortable with face-to-face meetings when negotiating business arrangements. Relationship marketing is also prevalent, with distributors generally interested in visiting their suppliers to conduct due diligence. Exclusive arrangements, 30-day credit and franchising arrangements are common business practices.

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2032.htm>

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## Chapter 3: Selling U.S. Products and Services

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### Using an Agent or Distributor

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There are no specific laws in Jamaica that dictate contract terms for agents/distributors. The parties involved formulate their own terms and conditions of agreement with or without the assistance of an attorney. However, regardless of contract terms, every supplier and agent/distributor must abide by the Fair Competition Act (FCA), which is designed to invalidate contract clauses that restrict competition. Under Jamaica's British common law system, once an agreement is reached and signed, it becomes a legally binding document and breaches may be contested in a court of law.

To help U.S. companies find local partners and licensees abroad, the International Partner Search (IPS) provides a report on up to five qualified overseas agents, distributors, manufacturer's representatives, joint venture partners, licensees, franchisees or strategic partners who have examined a U.S. company's materials and have expressed an interest in the company's products, services, or licenses, or have expressed an interest in otherwise partnering with the company. Requests for international partners can be made through any Export Assistance Center of the Department of Commerce, which will then involve the U.S. Commercial Service at the U.S. Embassy in the search.

Other leads and sources for business partners include the local government investment agency, Jamaica Promotions Corporation (JAMPRO) which is also known as Jamaica Trade and Invest, the Private Sector Organization of Jamaica, the Jamaican Manufacturers' Association, the Jamaica Chamber of Commerce and the American Chamber of Commerce of Jamaica.

### Establishing an Office

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The establishment of a local office is best approached with the assistance of JAMPRO. Potential investors can present project proposals to JAMPRO for assessment and guidance. Registration or incorporation of the business should be made with the Registrar of Companies. JAMPRO will assist with:

- obtaining applications from the income tax department;
- obtaining import licenses from the trade board;
- identification of business location (factory space or land);

A new companies act (Companies Act 2004) came into effect on February 1, 2005. Under the new act, it will now be possible for a single person to form a company and also be its sole director and shareholder. Public companies are now required to have a minimum share capital of J\$500,000.00 (approximately US\$7,000) and cannot borrow without first receiving certification from the Registrar. Although the head office of the company may be overseas, the company must now have a registered office in Jamaica.

## **Franchising**

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To establish a franchise arrangement in Jamaica, the franchisee is expected to register a local company to assume the rights to operate the franchise. There are no specific laws that regulate the operation of franchises and there is a normal business relationship with the locally registered entity and the headquarters of the franchise. The locally registered company is responsible for managing the operation and ensuring conformity to the franchise requirements. Current U.S. franchises in Jamaica include Kentucky Fried Chicken (KFC), Burger King, Pizza Hut, Subway, and Wendy's to name a few. The latest addition in the food category was TGI Fridays, which opened its doors in Kingston in late 2004. McDonald's ceased operating in mid 2005 after operating for about 10 years in Jamaica. There are also other types of franchises in areas such as dry cleaning, automobile care and rental, and training services.

## **Direct Marketing**

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While mail order sales and catalogs have not been very popular (perhaps due to postal and other inefficiencies), moves towards deregulation and liberalization in Jamaica have compelled persons in retailing to think of more creative ways of getting their message to customers and achieving sales growth. Some local firms have used direct mailings of promotional materials and telephone marketing. Local credit card companies sometimes target cardholders with direct mailing offering goods and services. Growth has been seen in network marketing for the promotion of products such as Avon and Amway. In recent years, the biggest growth area has perhaps been in the marketing and promotion of a variety of health supplements.

## **Joint Ventures/Licensing**

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In a bid to stimulate economic activity, the Jamaican government has actively encouraged joint ventures and licensing. Major opportunities are publicized by the government agency or ministry involved. Licenses have been granted for a range of activities through the Ministry of Commerce, Science and Technology. Incentives exist for investment related activities in several sectors such as tourism, manufacturing, information technology, film, music and entertainment. Nonresident partners, unless exempted under one of the incentive programs, including corporate partners, are subject to Jamaican tax on their share of the partnership profits that accrue in or are derived from Jamaica. Nonresident foreign corporations pay tax on their share of profits at the same rates as resident corporations. Double taxation relief is available under the Convention for the Avoidance of Double Taxation that entered into force in December 1991.

### **Selling to the Government**

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Government procurement is generally done through open tenders, direct advertising, or by invitation to registered suppliers. U.S. firms are eligible to bid. The range of manufactured goods produced locally is relatively small, so there are few instances of foreign goods competing with domestic manufactures. Companies interested in supplying office supplies to the government must register with the Financial Management Division of the Ministry of Finance. Companies interested in supplying other kinds of equipment or materials should contact: the National Water Commission (water supply and distribution equipment), the Jamaica Commodity Trading Company (for the purchase of certain basic food items and fertilizer under concessionary loan programs), the Pharmaceutical Division of the Ministry of Health and Health Corporation Limited (medicines and medical supplies), and the Ministry of Housing (for housing and construction materials).

The National Contracts Commission is an independent body appointed through an amendment to the Contractor-General's Act. Its mission is to recommend the award of government contracts and in so doing, seek to ensure transparency, equity and integrity in the contract award process. Several Public Sector projects in Jamaica require contractors to satisfy the requirements of the National Contracts Commission. The Office of the Contractor General maintains a list of registered contractors eligible to bid on certain types of projects.

### **Distribution and Sales Channels**

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Distribution and sales of imported merchandise in Jamaica are done principally through importers, distributors, and agent representatives. A large share of materials and supplies including machinery and equipment is imported directly by some end-user firms. Close contact with end-users and provision of excellent quality, after-sales service, and competitive prices are essential to maintaining position in the market. At the same time, because of relatively close proximity to the United States, many importers of goods into Jamaica maintain direct contact with exporters and manufacturers' representatives, particularly in Florida.

## **Selling Factors/Techniques**

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When selling to the Jamaican market, it is useful to do research on the proposed agents(s) or distributor(s) to make sure that they are compatible with the product being sold. There are several large, established distribution companies in Jamaica which import and distribute a range of products. These companies typically own vehicles or have salesmen on contract with appropriate vehicles. There are also smaller companies, which may be suitable for some products. Demand and markups for products vary. Some companies specialize in high volume and fairly low markups while others will only distribute goods that ensure a fairly high markup. Because of proximity to and the strong influence of North America, strategies which prove successful in North America, are generally equally successful in Jamaica.

## **Electronic Commerce**

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Electronic Commerce is of growing significance in Jamaica. For some local companies (particularly utilities) there is the option to pay bills on-line or via credit card using a telephone. Many Jamaicans who possess a credit card denominated in hard currency (U.S. dollars) frequently make on-line purchases from U.S. and other overseas companies.

The Jamaican Government is taking steps to position itself as a leader in e-Government activities in the Caribbean. In December 2004, an on-line tax payment service was launched and the long awaited E-transaction Act, providing the legal framework for secured electronic commerce, was passed in 2007. In January 2005, the GOJ also awarded two additional licenses for companies to provide international submarine communications links into Jamaica. One of these companies, Columbus Communications Jamaica Limited (FLOW) has already built out its infrastructure and is rolling out its service at a rapid pace. In addition to having relatively good telecommunications infrastructure Jamaica also has one of the highest mobile penetration in the world. However, there is still much concern that access to the Internet is still not as widespread as would have been desired.

## **Trade Promotion and Advertising**

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Advertising is primarily done through radio, television, the press and billboards, including electronic billboards. A number of advertising agencies have national coverage. The number of companies licensed to offer broadcast media services has grown to twenty (20) and there are over 47 Subscriber Television (STV or Cable) licensees – including one wireless (multi-point multi-channel) licensee. There are also several Internet service providers. Radio is the most wide-reaching mass communication, with seven authorized radio stations. The three local TV networks are Television Jamaica (TVJ), CVM and LOVE TV. One radio station and one additional television station provide primarily religious broadcasts.

Jamaica has two morning dailies and one afternoon tabloid as well as several periodicals and magazines, among them:

The Gleaner Newspaper (daily)  
7 North St.  
Kingston  
Tel: (876) 922-3400

The Jamaica Herald Newspaper (Sunday)  
29 Molyne Rd.  
Kingston 10  
Tel: (876) 968-7721

The Jamaica Observer Newspaper (daily)  
2 Fagan Ave.  
Kingston 8  
Tel: (876) 931-7825/-7832

The Star Newspaper (afternoon tabloid)  
7 North St.  
Kingston  
Tel: (876) 922-3400

Investor's Choice Magazine (monthly)  
12 Merrick Ave.  
Kingston 10  
Tel: (876) 929-2993

## **Pricing**

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Most prices are freely determined by the market. Notable exceptions are utility services, such as electricity, water and bus fares. The Office of Utilities Regulation has, as part of its mandate, monitors prices and other activities of utility companies. Since 2001, competition in the telecommunications sector has helped to control some telecom prices. While there are no official or government policies on price regulation or control, the Fair Trading Commission (FTC) and the Consumer Affairs Commission (CAC) do monitor pricing of consumer items. The FTC generally responds to consumer complaints. The CAC plays a role in conducting research and informing the public of price variations. The National Consumer League, a local NGO, plays a watchdog role.

## **Sales Service/Customer Support**

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After-sales service is an important competitive advantage in the Jamaican market and a requirement for an effective sales operator. If a U.S. firm has difficulty setting up its own distribution system, a local agent or distributor may be retained to maintain a trained

service staff with a reasonable stock of spare parts. Alternatively, the supplier could offer the customer rapid service from the United States.

## **Protecting Your Intellectual Property**

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The Jamaican Constitution recognizes intellectual property rights. There are laws designed to protect property that specifically address protection of intellectual property. The United States and Jamaica signed an Intellectual Property Rights Agreement (1994) and a Bilateral Investment Treaty (which came into force March 1997). In June 1999, Jamaica's Senate passed three related pieces of legislation. These were the new Trademarks Act, the Layout-Designs (Topographies) Act as well as a bill to amend the Copyright Act to extend its coverage to include databases as well as the issue of trading in encrypted transmissions.

All three have been enacted in fulfillment of Jamaica's obligations under the WTO agreement on the trade-related aspects of intellectual property rights (TRIPS), the Paris Convention for the Protection of Industrial Property (to which Jamaica is seeking to become a signatory), as well as under the bilateral agreement on intellectual property between Jamaica and the United States.

In general, Jamaica has reasonably good copyright and trademark protection laws, but the country's patent regime is outdated and falls short of international standards. Jamaica is included on the Special 301 watch list as a result of lack of parliamentary action to bring patent, industrial design and plant variety laws into conformity with international standards. Jamaica is hoping to pass the new patent law before the end of 2008.

## **Due Diligence**

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From time to time many U.S. companies may find it necessary to get more information on a Jamaican company they plan to do business with. The U.S. Commercial Service is able to do an International Company Profile (ICP), which provides a commercial report on a local company's background.

## **Local Professional Services**

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It is advisable to retain professional advice at an early stage of a business venture to ensure a smooth start-up and compliance with local laws. The Jamaica Bar Association has a membership of over 550 attorneys. The Association is located at 78-80 Harbour St., Kingston (phone: [876] 922-2319). A list of members can be obtained from the Association. The U.S. Embassy can also provide a list of local attorneys.

[www.jambar.org.jm](http://www.jambar.org.jm)

JAMPRO [www.investjamaica.com](http://www.investjamaica.com)

Private Sector Organization of Jamaica [www.psoj.org](http://www.psoj.org)

Jamaica Manufacturers' Association [www.jma.com.jm](http://www.jma.com.jm)

Jamaica Chamber of Commerce [www.jcc.org.jm](http://www.jcc.org.jm)

American Chamber of Commerce of Jamaica [www.amchamjamaica.org](http://www.amchamjamaica.org)

U.S. Commercial Service Caribbean [www.buyusa.gov/caribbean](http://www.buyusa.gov/caribbean)

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## Chapter 4: Leading Sectors for U.S. Export and Investment

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### Commercial Sectors

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- [Drugs and Pharmaceuticals](#)
- [Automotive Parts and Service Equipment](#)

Building Products (USD Million)

#### Overview

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	2003	2004	2005 (estimated)
Total Market Size	450	470	480
Total Local Production	125	125	125
Total Exports	5	5	5
Total Imports	330	350	360
Imports from the U.S.	120	140	150

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica and market estimates

The Building and Construction Sector is one of the buoyant sectors of the Jamaican economy and is expected to continue to play an important role in the next few years. Major road construction projects – including Highway 2000 and the North Coast Highway are ongoing and there is a boom in hotel construction to support the growing tourism sector. There is also a surge in residential construction, including high end properties targeting non-residents, to fulfill some of the built up demand.

#### Best Products/Services

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Based on observed trends, good sales prospects in building and construction items for U.S. exporting firms include porcelain sinks, baths, lavatory sets, other bathroom fixtures, electric lighting, switches and other electric apparatus, certain roofing materials and tools.

#### Opportunities

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The market for building and construction products in Jamaica may be thought of as consisting of the following sub-sectors: Residential Construction by Developers, Residential Construction initiated by Government, Hotel Construction, Routine

Government Infrastructure Management/Maintenance and Special Government Infrastructure Projects. Considerable opportunities for imports exist in each sub-sector.

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National Housing Trust [www.nht.gov.jm](http://www.nht.gov.jm)  
National Works Agency [www.nwa.gov.jm](http://www.nwa.gov.jm)  
Urban Development Corporation [www.udcja.com](http://www.udcja.com)  
Ministry of Transport and Works [www.mtw.gov.jm](http://www.mtw.gov.jm)  
Highway 2000 [www.highway2000.com](http://www.highway2000.com)

Safety and Security Equipment (USD Million)

## Overview

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	2003	2004	2005 (estimated)
Total Market Size	150	175	180
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	150	175	180
Imports from the U.S.	85	100	120

Market information is based on unofficial market estimates.

Safety and security issues have become increasingly important to Jamaicans given the growing crime rate. As a consequence, there has been a proliferation in security and security related firms, which in turn has provided a captive market for safety and security equipment. This market is expected to remain relatively buoyant until a serious dent can be made in the crime rate.

## Best Prospects/Services

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A list of specific products in demand includes alarms, CCTV, gate openers, home security and door entry buzzers.

## Opportunities

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Most products in the sector have to be imported. The pervasive need and broad definition of safety and security products leads to them being retailed in several different outlets ranging from small hardware establishments to larger home improvement stores. On a national level, the GOJ, like other governments in the region and the world, is increasingly vigilant about ensuring that the nation's safety and security standards are in line with the needs of the citizens as well as with international obligations.

## Resources

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Ministry of Security <http://www.jis.gov.jm/security/index.asp>

## Telecommunications Equipment (USD Million)

### Overview

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	2003	2004	2005 (estimated)
Total Market Size	150	160	170
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	150	160	170
Imports from the U.S.	70	75	80

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica.

Since the liberalization of Jamaica's telecommunications sector, there has been a restructuring of the market and increased demand for an ever-growing list of products and services.

### Best Prospects/Services

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In recent years, top selling items include cellular telephones and related apparatus, regular telephones, telephone accessories, color televisions, transmission apparatus for telecommunications and parts for telecommunications equipment.

### Opportunities

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The year 2008 could see additional capacity as new international fiber optic connectivity becomes a reality. This development will increase competition and could result in reduced telecommunications costs as well as improved efficiency. A further outcome will be accelerated demand for fiber-optic cable and related equipment used to build out and improve the telecommunications infrastructure.

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Office of Utilities Regulation [www.our.org.jm](http://www.our.org.jm)

Ministry of Commerce, Science and Technology [www.mct.gov.jm](http://www.mct.gov.jm)

## Drugs/Pharmaceuticals (USD Million)

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	2003	2004	2005 (estimated)
Total Market Size	100	110	120
Total Local Production	15	15	15
Total Exports	5	5	5
Total Imports	90	100	110
Imports from the U.S.	50	50	50

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica.



The growth in the demand for drugs and pharmaceuticals in Jamaica is driven by a variety of occurrences such as the introduction or modification of laws, trade conditions, international medical breakthroughs, lifestyle change patterns, government programs and a variety of social and domestic conditions.

### **Best Prospects/Services**

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Best Prospects include medications for hypertension, respiratory diseases, sexually transmitted diseases and diabetes.

### **Opportunities**

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Exporters to Jamaica will find opportunities in both the public (government) and private (commercial) sectors. The major importer of drugs and pharmaceuticals in Jamaica is Health Corporation Limited – a government company responsible for the sourcing and distribution of products primarily to the public health sector.

### **Resources**

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Pharmaceutical Society of Jamaica [www.psj.org.jm](http://www.psj.org.jm)  
Ministry of Health [www.moh.gov.jm](http://www.moh.gov.jm)

## **Automotive Parts and Service Equipment (USD Million)**

### **Overview**

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	2003	2004	2005 (estimated)
Total Market Size	28	30	32
Total Local Production	2	2	2
Total Exports	0	0	0
Total Imports	26	28	30
Imports from the U.S.	4	5	6

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica.

Although Jamaicans drive on the left hand side of the road, the United States remains an important source of automobiles, automobile parts and accessories. The auto parts and accessories market is, of course, closely tied to the automobile market. Prior to the mid 1990's, there were severe restrictions on importing motor vehicles. After the restrictions were lifted, the sudden liberalized environment led to a big surge in the variety and number of motor vehicles imported.

### **Best Prospects/Services**

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Best Prospects include wheel rims, shock absorbers, clutch parts, brake parts, tires, and fancy accessories.

### **Opportunities**

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The market for automobile parts and accessories is expanding. There is also increased vigilance by Jamaican authorities to monitor the quality of the imports coming in – this includes keeping an eye on imports from certain countries as well as the growing trend of importing used parts. There could be increased demand for high quality products approved by Jamaican Standards authorities.

## Resources

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Ministry of Commerce, Science and Technology [www.mct.gov.jm](http://www.mct.gov.jm)

## Agricultural Sectors

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General information on the Jamaican retail and hotel sectors and the demand for U.S. food and beverages is available at:

<http://www.fas.usda.gov/scripts/attacherep/default.asp>

The major bulk commodities exported from the U.S. to Jamaica are listed below in order of market size.

### Wheat (USD Million)

	2002	2003	2004
Total Market Size	21.1	26.3	30.1
Total Local Production	0	0	0
Total Exports	21.1	26.3	30.1
Total Imports	21.1	26.3	30.1
Imports from the U.S.	21.1	26.3	30.1

USDA Trade Statistics

The United States supplies the entire demand for wheat in Jamaica. U.S. wheat has an advantage in the market by virtue of the ownership of the sole wheat mill in the country by a U.S. company. Wheat flour is a major staple in the Jamaica diet. Import of wheat flour from Canada competes with U.S. imports in the fine bakery segment of the market.

### Coarse Grains and Soybean Meal

#### Coarse Grains (USD Million)

	2002	2003	2004
Total Market Size	26.8	23.1	25.8
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	26.8	23.1	25.8
Imports from the U.S.	26.8	23.1	25.8

USDA Trade Statistic

#### Soybean Meal (USD Million)

	2002	2003	2004
Total Market Size	16.8	19.3	22.2
Total Local Production	0	0	0
Total Exports	0	0	0

Total Imports	16.8	19.3	22.2
Imports from the U.S.	16.8	19.3	22.2

US Trade Statistics

Imports of soybean meal and coarse grains in Jamaica are influenced by the strength of the livestock sub-sector, and particularly by the poultry industry, which has benefited from government protection and substantial retooling. Imports of these products are expected to remain strong as the poultry industry continues along its growth trajectory.

The major high-value products that are exported to Jamaica with the strongest growth potential and least market entry barriers are listed below in order of market size. Products are grouped, in some instances, according to data aggregation and market promotion compatibility.

#### Wines and Cheeses

##### Cheese (USD Million)

	2002	2003	2004
Total Market Size	28.2	28.4	30
Total Local Production	12	12	12
Total Exports	5.6	5.6	5.6
Total Imports	21.8	22.0	23.0
Imports from the U.S.	3.2	4.5	5.0

STATIN, Jamaica

##### Wines (USD Millions)

	2002	2003	2004
Total Market Size	5.6	7	7
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	5.6	7	7
Imports from the U.S.	1.6	2.2	2

STATIN, Jamaica

Comments: The demand for wines and specialty cheese in Jamaica is driven by the hotel and restaurants sub-sector. Consumption of wines and specialty cheese is expected to continue positive growth in the medium to long term as government policies continue to focus on the tourism sector as a central part of Jamaica's economic development model. However, the explosion in all-inclusive hotels has been shifting the demand in favor of less expensive Chilean wines. Simultaneously, Jamaican consumers and importers have historically associated French wines with a high quality status. The United States competes with Chile and France for sparkling wines and with France, Italy and Canada for other wines. Sparkling wines currently face a 30 percent CET plus a 34 percent ASD and 14.5 percent SCT. Demand for other alcoholic beverages also remains strong in the tourism market. Jamaica imports approximately 1059 thousand liters of vodka, brandy, gin, and other alcoholic beverages, valued at US\$ 4.5 million per year. Demand for cheeses in the retail sector is mostly fulfilled with cheddar from New Zealand and Austria.

##### Red Meats (Beef, Lamb, Goat) (USD Million)

	2002	2003	2004
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Total Market Size	23.2	25.3	25.3
Total Local Production	13.0	13.0	13.0
Total Exports	1.5	2.0	2.0
Total Imports	10.2	12.3	12.3
Imports from the U.S.	2.2	2.8	2.8

STATIN, Jamaica

The U.S. accounts for 47 percent of total beef imports, less than two percent of the total imports of mutton (lamb) and none of the imports of goat meat. While beef and lamb consumption remains relatively low at the retail level, there is significant demand in the hotel/restaurant sector. Total market for imported beef, lamb and goat meat is estimated at US\$15 million. U.S. competes with specialty cuts of high-quality beef. Although goat meat has always been a principal component of local cuisine, production has historically remained low, as Jamaica is yet to develop commercial techniques and genetics that suit the domestic situation.

#### Temperate Fruits, Vegetables and Fruit Juices

##### Temperate Fruits (USD Million)

	2002	2003	2004
Total Market Size	3.4	4.4	5
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	3.4	4.4	4.6
Imports from the U.S.	2.1	2.8	3

STATIN, Jamaica

##### Temperate Vegetables (USD Million)

	2002	2003	2004
Total Market Size	3.0	3.5	4.0
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	3.0	2.6	2.6
Imports from the U.S.	2.2	2.0	2.0

STATIN, Jamaica

##### Fruit Juices (USD Million)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	3.4	5.0	7.0
Total Imports	24.3	28.6	30.1
Imports from the U.S.	17.0	19.0	20.0

STATIN, Jamaica

Comments: Total importation of fruits and vegetables continues to show significant increases as demand at the hotel / restaurant and retail sectors remain high. Some temperate climate fruits (apples, pears, strawberries, plums, kiwis) and vegetables (broccoli, asparagus, spinach) will continue positive growth in the Jamaican fresh produce market. However, products such as tomatoes, carrots, cabbages, melons,

lettuce, and other fruits and vegetables that compete directly with local products will become less price competitive under the GOJ's Safeguard Act. However, these products will still have reasonable demand during the characteristic cyclical periods of shortages. Garlic, onions and other capsicums will remain competitive since local production is done on a limited scale and without the requisite market coordination.

#### Breakfast Cereals (USD Million)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A
Total Imports	11.4	13.6	15.3
Imports from the U.S.	1.6	1.7	2.7

STATIN, Jamaica

The Jamaican market for imported breakfast cereals is valued at US\$15 million. Cereals and cereal preparations account for approximately 8.8 percent of total food and beverage consumption expenditure in Jamaica. As the population becomes more health conscious, consumption of breakfast cereals and non-dairy milk substitute (such as soy milk) is expected to increase. While domestic productive capacity remains low, demand will be fulfilled with imports. Breakfast cereals are extensively advertised and positioned in the market. Breakfast cereals from Trinidad and Tobago, the major supplier, are positioned in the lower income strata on the basis of price. Higher priced U.S. cereals are prudently positioned in the less price sensitive market segments on the basis of quality.

#### Crackers / Cookies / Biscuits (USD Million)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	0.5	0.5	0.5
Total Imports	16.4	20.0	24.0
Imports from the U.S.	6.8	7.2	10.1

STATIN, Jamaica

Comments: Under duty free entry, Trinidad and Tobago and Barbados continue to dominate exports of snack foods to Jamaica. Snack products originating outside of CARICOM attract a 20 percent CET rendering them less price competitive when compared to products of CARICOM origin. Venezuela also maintains a strong presence in this market. The market is expected to show strong growth over the short to medium term.

#### Pasta (USD Millions)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	0.3	0.3	0.3
Total Imports	3.0	3.3	3.6
Imports from the U.S.	2.1	2.3	2.6

STATIN, Jamaica

Comments: Jamaica's consumption of pasta is expected to grow modestly over the longer term as the product becomes more popular in the household diet. U.S. pastas compete with imports from Costa Rica and Guatemala. Uncooked pasta attracts CET of 30 percent.

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### Import Tariffs

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Jamaica is a part of CARICOM and a Common External Tariff (CET) is applied to goods entering CARICOM member-countries. As part of the continuing process to reform the trade regime, the government embarked on a tariff reform program to gradually reduce duty from as high as 200 percent. Duty rates (CET) are now typically in the range of 15 to 20% but there are still some exceptions.

### Trade Barriers

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In order to protect local producers, import duties on certain agricultural products (such as chicken and milk) and certain consumer goods carry higher duty rates. In addition to import duties, certain items such as beverages and tobacco, motor vehicles, and some agricultural products carry an additional stamp duty and special consumption tax. A Customs User Fee of 2% applies to all imports. Most imported items are subject to 16.5 percent general consumption tax (GCT).

There is also now a Standards Compliance Fee (SCF) of 0.3%. The SCF is collected by Jamaica Customs on behalf of the Jamaica Bureau of Standards. The Bureau checks for a number of standards. An important area is labeling standards.

Special requirements apply to certain specific products. For example, fairly strict regulations govern the importation of drugs and pharmaceuticals. Safety, efficacy and quality are the primary indicators for approving a drug for use. The Food and Drug Act requires that all drugs distributed or sold in Jamaica are assessed and registered. In addition to reviewing the scientific data supplied on the uses and side effects of the drug, special attention is paid to the information on its stability under conditions of high temperature and humidity typical of the tropics; results of the analysis of a recently produced batch; approval status in the country of manufacture or export; and clinical summaries of tests done on humans where the drug is a new chemical entity. Typically, a drug will not be admitted for use in Jamaica until it has been safely used in the country of origin for a period of more than one year.

## **Import Requirements and Documentation**

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The following items still require an import license: milk powder, refined sugar, plants and parts of plants for perfume or pharmaceutical purposes, gum-resins, vegetable saps and extracts, certain chemicals, motor vehicles and parts, arms and ammunition, and certain toys, such as water pistols and gaming machines. The Trade Board, under the Ministry of Industry, Commerce & Technology, is responsible for granting licenses.

If an item requires a license, one must be obtained from the Trade Board before the sale. The documents required for the importation of goods are:

- a supplier invoice
- certificate of origin
- bill of lading
- airway bill and
- other shipping documents, a declaration of value and an import license, if necessary. (Certain products may also require phytosanitary certification.)

Upon arrival of the goods in Jamaica, the documents are submitted to the Customs authorities. Relevant duties must be paid before the goods may be cleared into the country. The importer may also be required to present a tax compliance certificate for the importer, a Business Enterprise Number (BENO) and a Taxpayer Registration Number (TRN).

## **U.S. Export Controls**

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[www.bis.doc.gov](http://www.bis.doc.gov)

## **Temporary Entry**

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Importers may obtain authorization for temporary admission for a period of three or four months. To claim temporary admission of merchandise, regular import documentation and the C25 Form, with customs authorization, must be presented by the importer upon the arrival of the merchandise. In addition, the importer is required to deposit or place in bond either full or one and a half times the applicable duty, which is refunded on exit of the merchandise.

## **Labeling and Marking Requirements**

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The Jamaican Bureau of Standards administers the Standards Act, Processed Food Act and Weights and Measures Act. Products imported into Jamaica must meet the requirements of these Acts, and it is the responsibility of the importer and distributor to ensure that goods sold in Jamaica are properly labeled as required by the labeling standards. The smallest individual unit of a pre-packaged good should be labeled in English and should include the proper name of the product, an accurate declaration of the contents, an accurate description of the ingredients, a date mark or date of minimum durability as well as the name and traceable business address of the processor, manufacturer, packer, importer or distributor and the country of origin. Manufactured,



expiration and other date marks must conform to the traditional European "dd/mm/yy" or ISO's "yy/mm/dd" date formats. The United States' conventional "mm/dd/yy" or the five-digit Julian "day-of-year year", "year day-of-year", or other such modifications of the Julian system, are not accepted for the purpose of trade and commerce in Jamaica. Jamaica has not yet developed any definitive standard for the labeling of Genetically Modified Organisms and Living Modified Organisms, but present directions are skewed towards adopting language developed by the Codex Alimentarius Commission.

The Jamaica Bureau of Standards is very stringent in exercising its judicial authority to block the entry and sale of goods that are improperly labeled. Improper labeling may occur in several ways such as incorrect date format, non-English language and so on. A full description of labeling requirements is to be found in Labeling Standards JS1 Parts 1 to 29.

### **Prohibited and Restricted Imports**

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Jamaica prohibits the import of the following items:

- dogs for racing;
- dog racing equipment;
- tablets containing a combination of methaqualone and diphenhydramine hydrochloride;
- certain brands of crayons from China and Thailand;
- all items banned under the Customs Act and the Plants Protection from Disease Act;
- all goods prohibited entry into the United Kingdom under the Anthrax Prevention Act 1919;
- animals and carcasses of animals prohibited under the Animals Diseases and Importation Act;
- arms and ammunition, except with the permission of the Commissioner of Police;
- brandy of a lower strength than 30 degrees per centum under proof, unless it is proved that it has been matured for a period not less than ten years;
- base or counterfeit imitation coin of any country;
- coin, silver, or any money not of the established standard in weight and fineness;
- opium and dangerous drugs;
- essence of brandy or whisky or flavoring essences except as approved by the Minister;
- indecent or obscene prints, paintings, photographs, books, films, etc.;
- oil of gin or cognac, except as approved by the Minister;
- rum coloring solutions;
- spirits and wine, unless specifically imported with casks or other vessels of at least nine gallons content or in glass or stone bottles with each case containing not less than one gallon;
- fictitious stamps and instruments; and
- sugar, except under license.

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[www.jacustoms.gov.jm](http://www.jacustoms.gov.jm)

## Standards

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## Overview

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The Jamaica Bureau of Standards (“The Bureau”) is a statutory body established by the Standards Act of 1968. The Standards Act, as well as the Processed Foods Act (1959) and the Weights and Measures Act (1976) control the actions of the Bureau. The Bureau’s main functions are formulating, promoting and implementing standards for goods, services and processes. It develops and enforces technical regulations for those commodities and practices, which affect health and safety.

Following the reorganization of the Bureau in 2001, the development of standards became industry owned with the Bureau playing the role of facilitator. Standards are written by technical committees. There are several technical committees established and facilitated by the Standardization Division of the Bureau. Membership in the committees should reflect a balanced representation of all parties interested or involved in the committee’s scope of operations, namely: producers, manufacturers, importers/distributors, consumers, research organizations, educational institutions, government organizations and individual experts.

The Bureau facilitates trade and protects Jamaican consumers with the timely development and promulgation of national standards. The Standards and Certification department seeks industry participation in allowing the development of new standards and new markets both locally and regionally. The Bureau’s mandate includes (i) preparing standards for particular products, practices and processes and (ii) checking products against claims of conformity to published standards.

The Bureau of Standards is controlled by a Standards Council, which is responsible for policymaking and general administration. Standards are developed by standing committees representing varied interests, such as consumer groups, the manufacturing sector and the public in general.

## Standards Organizations

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The Jamaica Bureau of Standards is the premier standards development organization in Jamaica. At the Bureau, the preparation of standards documents is undertaken upon the authorization of the Standards Council. This authorization could come from representations from national organizations, Bureau of Standards committees or the staff of the Bureau. When the final draft of the standard is ready, the Council authorizes an approach to the Minister for approval. The draft document is then made available to the general public for comment. After consideration of the comments, a final document is prepared and the Standards Council recommends the document to the Minister for

approval. The declaration of the standard is published and copies are made available for sale. Standards are revised every five years. The Catalogue of Jamaican Standards is updated every 6 months. It includes a listing of all standards published to date as well as those approved by the Minister awaiting publication.

Apart from the Bureau of Standards, other agencies do have a limited role in standards development. These include the National Environment and Planning Agency (NEPA), the National Council on Technical and Vocational Education and Training (NCTVET), Private companies for their own use as well as a handful of government agencies and Ministries.

### **Conformity Assessment**

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The Jamaica Bureau of Standards is responsible for issuing licenses to use the Bureau's Certification Mark (Mark of Conformity). A number of well-equipped laboratories carry out tests in such areas as food analysis, chemistry, metallurgy, microbiology, building materials, furniture, packaging, electrical engineering, mechanical engineering, weights and measures. Private companies involved in conformity assessment are Technological Solutions Limited and SGS Limited.

### **Product Certification**

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The National Certification Mark issued by the Bureau is a mark of quality awarded to products, processes and practices, which conform to relevant standards. Products, which are proven to be of consistent and reliable quality, are granted the National Certification Mark. The Bureau encourages consumers to purchase products, which bear this mark as it guarantees consistent product quality. All manufacturers have the right to apply for the mark. The Bureau's team of analysts and specialist examines the manufacturers' processes, equipment, records, raw material, quality control systems and the finished product to ensure good quality.

The Product Certification offered by the Bureau is voluntary (and at a cost to the applicant). Plans are being developed for the establishment of a National Certification body. Also being planned is a Compliance Sticker Program, which will allow local products of a suitable standard to bear a Compliance Sticker. The program will also extend to compliant imported products.

There is a mutual recognition agreement between the Bureau and the American Society for Testing and Materials (ASTM).

### **Accreditation**

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The Bureau offers laboratory accreditation recognition to Chemical and Microbiological Laboratories, which apply for this recognition. This is voluntary (and at a cost to the applicant). Accreditation services may also be obtained from International agencies. Plans are in place for the development of a National Accreditation Body (separate from the Bureau of Standards), which will take over this function.

The Bureau's Technical Information Center is the only national standards library in Jamaica. It is the center of the international standards information network and serves as:

- The National Enquiry Point under the WTO Agreement on Technical Barriers to Trade (TBT)
- Contact Point for Codex Alimentarius Commission in Jamaica
- Local Agent for International Organization for Standardization (ISO), British Standards Institution (BSI), and American National Standards Institution (ANSI).

The Bureau has membership in the following regional and international organizations:

- International Electro-Technical Commission (IEC)
- Caribbean Regional Organization for Standards and Quality (CROSQ)
- Inter-American Metrology System (SIM)
- Pan-American Standards Commission (COPANT) (an ISO Commission)
- Caribbean Metrology Sub-Region (CARIMET)

Additionally, the Bureau cooperates with several other regional and international standards and metrology institutions such as the National Institute of Standards and Technology (NIST), American Society for Testing and Materials (ASTM), National Center for Metrology-Mexico (CENAM), Physikalisch Technische Bundesanstalt (PTB), American Society for Mechanical Engineers (ASME), National Office of Standards-Cuba (NC), Columbian Institute of Certification and Technical Standards (ICONTEC), Barbados national Standards Institute (BNSI), Trinidad and Tobago Bureau of Standards (TTBS) and the Guyana National Bureau of Standards (GNBS).

#### **Publication of Technical Regulations**

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Proposed Technical Regulations are made available to the general public for comment. A 30-day period is allowed before publication. Any entity, including U.S. companies, may comment on the proposals before they are published. The Bureau has a Technical Information Center, which has information on standards being developed. Final Technical Regulations are published in the Jamaica Gazette Supplement - Proclamations, Rules and Regulations.

#### **Labeling and Marking**

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Product labeling is one of the more important and topical matters handled by the Jamaica Bureau of Standards. The Catalogue of Jamaican Standards lists requirements for over 30 different commodities. The list is wide and varied and includes items such as footwear, precious metals, household appliances, panty hose, thread, animal feeds, toys, furniture and various packaged goods.

Labeling requirements are contained in a series of mandatory standards for the Labeling of Commodities (JS 1: Part 1 through to JS 1: Part 30). Adherence to these requirements is closely monitored by the Bureau. Monitoring entails verification of labels against the specifications outlined in the particular labeling standard.

It is critical for the Bureau to develop a system that will allow the organization to exercise its duty with increased efficiency and effectiveness with respect to compliance to compulsory standards (technical regulations). The Label Registration Program was therefore proposed. This program aims to prevent labeling violations both at the Ports of Entry and in the Domestic Marketplace. Labels of each product can therefore be registered with the Bureau under this program. This registration program is voluntary

and will assist the speedy processing of goods through Customs (using a database) for importers who have their labels registered with the Bureau.

The steps required for this process are:

1. The completion of the Label Registration Form
2. Submitting the form along with the labels of the products to be registered (preferably on line) to the Bureau of Standards
3. Make payment using either the e-commerce facility or the other means available and showing proof of payment
4. The label is assessed and a report done
5. If the label is in conformance with the standards the registration will be approved and a registration number assigned and add to list of compliant labels
6. Where a labeling non-conformance is identified, the report shall indicate the areas of non-conformance, and make recommendation to effect corrections
7. The applicant will be required to implement the recommendations and re-submit the corrected label and proceed again
8. Label registration number now used by Customs to process imports
9. Routine periodic verification conducted by Bureau Inspectors/Officers to identify continued compliance
10. If non-compliance is identified registration is withdrawn and distributor advised to re-register the label(s).

## **Trade Agreements**

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Preferential Tariff Arrangements: Jamaica has enjoyed preferential tariff arrangements with the United States under the Caribbean Basin Initiative (CBI) and the Caribbean Basin Economic Recovery Act, with the countries of the European Union under the Lome Convention (succeeded by the Cotonou Agreement and soon to be the Economic Partnership Agreement (EPA)), with Canada under CARIBCAN, and with other English-speaking Caribbean states under CARICOM. CARICOM of which JAMAICA is a leading member, also has bilateral trade agreements with Costa Rica, Cuba, Dominican Republic, Colombia and Venezuela.

The CBI provides duty-free entry to the United States to qualifying products of Jamaican origin (except textiles, footwear, handbags, luggage, work gloves, leather apparel, tuna fish, petroleum and petroleum products, and watches and watch parts from countries that do not enjoy Most Favored Nation status). An amendment was made to CBI provisions in 1990 (CBI II) allowing additional duty reduction on certain leather-related products, including handbags, luggage, flat goods, work gloves, and wearing apparel. To meet CBI eligibility standards, products must contain at least 35 percent value added in Jamaica, of which U.S. materials must comprise 15 percent of the value of the finished product. Articles assembled in Jamaica from 100 percent U.S. components are also given duty-free treatment (with certain exceptions, including textiles/apparel for which the U.S. duty is levied only on the value-added in Jamaica).

In May 2000, the U.S. Senate passed the Caribbean Basin Trade Partnership Act (CBTPA). The aim of this Act is an expansion of the benefits provided under the CBI to Caribbean firms that export to the United States. In effect, it will restore the margin of

preferences CBI countries enjoyed prior to the implementation of the North American Free Trade Agreement (NAFTA) as well as improve the range of economic opportunities available to the countries. The Jamaican garment industry has not expanded under CBTPA as predicted due to: (1) the removal of preferential access to key markets following the removal of the quota system; (2) competition from low cost producers; (3) a large untrained labor force; (4) small factories that inhibit the achievement of economies of scale; (5) dependence on a few markets and on imported inputs; and, high overhead costs. In fact, the garment industry has all but disappeared, with only one firm employing about 50 workers remaining in the free zone. Jamaica has also signed a Tax Information Exchange Agreement (TIEA) with the United States allowing U.S. taxpayers to deduct legitimate business expenses incurred in attending business meetings and conventions in Jamaica.

Jamaica exports certain items duty-free to Canada under CARIBCAN. Eligible items must meet a national-origin standard of 60 percent of the factory price originating in Jamaica, Commonwealth Caribbean countries, or Canada. Textiles, garments, lubricating oils, clothing, footwear, luggage, handbags, and leather garments are excluded from CARIBCAN. Processed and fresh vegetables comprise most of the trade under CARIBCAN. Alumina, representing approximately 80 percent of all exports to Canada, was already admitted duty-free prior to the establishment of CARIBCAN.

Jamaican exports traditionally benefited from preferential treatment under the Lome Agreement. The system was not a simple one, as there were special arrangements for certain agricultural products, and the required value-added component varied depending on the type of product. The Cotonou Agreement, signed in 2000, replaced four Lome Accords and introduced a comprehensive framework for African Caribbean and Pacific (ACP) -EU relations focusing on economic development, the reduction and eventual eradication of poverty, and the smooth and gradual integration of ACP states into the global economy. In this regard the Cotonou Agreement allows the ACP and the EU to engage in WTO compliant (CARIFORUM Economic Partnership Agreement (EPA) Negotiations, 2000). The Economic Partnership Agreement or EPA, a trade partnership required by the Cotonou Agreement to replace the trade component of Lomé IV, was signed in January 2008. The EPA is expected to help ACP countries, including CARIFORUM, reduce poverty and achieve economic growth through sustainable trade with Europe.

Jamaica has been a leading member of the Caribbean Community and Common Market (CARICOM) since 1973 when four countries signed the Treaty of Chaguaramas. Over the years membership has grown to 15. There are also five (5) associate members and The Bahamas is a member of the community, but not the common market. In 1989 a decision was taken to further deepen the integration process by establishing the CARICOM Single Market and Economy (CSME). This was expected to pave the way for the creation of a single economic space, where people, goods, services and capital could move freely. To effect the CSME, a Revised Treaty of Chaguaramas was signed in 2002. In January 2006, CARICOM Heads of Government met in Jamaica to sign the single market aspect of the CSME, although at the time only six member countries, including Jamaica had completed the process to bring the CSM into being. Six other countries have subsequently joined the CSM. The economic integration aspect of the CSME is expected to commence in 2008.

<http://www.caricom.org>  
<http://www.crnw.org/acp.htm>

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Jamaica Bureau of Standards [www.jbs.org.jm](http://www.jbs.org.jm)

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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The Government of Jamaica (GOJ) seeks to attract foreign direct investment and markets itself to companies in Europe, North America and the Caribbean region. The GOJ encourages foreign investment as a source of development and has no policies or regulations that reserve certain sectors exclusively for Jamaicans. Prime Minister Bruce Golding (Jamaica Labor Party), elected in September 2007, after 18 years of rule by the Peoples National Party, publicly warns of the negative consequences of red tape as a hindrance to potential foreign investment.

Numerous measures which once inhibited foreign investment, such as the Foreign Exchange Control Act and the list of areas reserved for local investment only, have been eliminated. Thus, Jamaica does not have any legal impediment to direct foreign investment and applies the principle of national treatment to foreign investors.

With the investment landscape reformed, attention has turned to the reduction of processing and approval times for investment-related applications. In particular, USAID has been providing assistance to the GOJ and the Private Sector Organization of Jamaica for a Regulation, Legislation and Process Improvement Project (LEGS and REGS) to remove some of the obstacles to doing business in Jamaica. The project staff is currently revising an existing Developer's Manual to provide updated information on the administration, legislation, regulation and requirements involved in the development approval process in Jamaica. The manual has been revised, but there is still much streamlining required in achieving the Prime Minister's 90- day turnaround deadline for approvals. The LEGS and REGS Project has been paying dividends, as a 2004 World Bank study listed Jamaica in the top ten countries in which it was easiest to do business.



Jamaica ranked well above its regional peers and compared favorably with OECD countries in areas such as starting a business and hiring and firing workers. It should be mentioned that while Jamaica's Redundancy Act makes it expensive to cut staff due to the relatively high severance payments tied to length of service, the Jamaican system still ranks higher than its regional peers. The 2005 report, which takes the procedures for registering property and protecting investors into account, does not place Jamaica in the top ten. The 2008 report ranking countries on the ease of paying taxes places Jamaica in the bottom ten due to the high number of taxes and mandatory contributions a medium-sized company must pay or withhold in a given year.

The Companies Act and the Securities Act govern acquisitions, mergers and takeovers for publicly traded companies. In 1996 the Securities Act was revised to bring it in line with international regulations. The takeover code was redesigned to ensure the integrity of the securities market while protecting minority shareholders. Jamaica's legal system is based on English common law principles and rules covering the enforceability of contracts are based thereupon. The Jamaican judicial system therefore recognizes and upholds the sanctity of contracts. There are no limits on foreign ownership or control and the embassy is not aware of any economic or industrial policy that has discriminatory effects on foreign investors.

Foreign investors are generally granted national or Most Favored Nation treatment, subject to the rules of their Bilateral Investment Treaties (BITS). There are no screening mechanisms for foreign investments, but if investors apply for government incentives, they could be required to meet some basic pre-requisites and due diligence may be done by the approving agency. This process is not discriminatory and is not intended to impede investment. Jamaica has also undertaken a comprehensive program of trade and financial liberalization, and no sector remains closed to foreign investment. However, projects that affect national security, have a negative impact on the environment, or involve sectors such as life insurance, media or mining are subjected to regulation and certain restrictions.

Jamaica's privatization program is open to participation by foreign investors, except for those that are on the restricted list due to national security concerns. The National Investment Bank, which administers privatization, is mandated to ensure that the process is fair and transparent. However, in some privatization transactions the participation of local investors may lead to added points in the scoring of proposals. When large entities are being privatized, advertisements are placed in international newspapers such as the Financial Times, New York Times and Wall Street Journal to attract foreign investors. An information memorandum accompanies privatization proposals and includes the specific requirements under which bidders are allowed to participate and the criteria by which proposals will be evaluated. Foreign investors have won most of the privatization bids in the last five years. The government is currently reviewing some of the remaining parastatals with an eye to divestiture.

The country is party to both multilateral and bilateral treaties, which provide for non-discrimination. Local laws do not distinguish between local and foreign investors. The embassy is not aware of any discrimination against foreign investors at the time of initial investment or after the investment is made. However, under the Jamaican Companies Act investors are required either to establish a local company or to register a branch office of a foreign-owned enterprise. Branches of companies incorporated abroad must also register with the Registrar of Companies if they intend to operate in Jamaica. The

Companies Act, which came into effect in February 2005, allows foreign companies to hold lands without registering in Jamaica. There are no laws or regulations requiring firms to adopt articles of incorporation or association, which limit or prohibit foreign investment, participation or control. The embassy is not aware of any other ways private firms could restrict foreign investment.

Foreign direct investment (FDI) was USD 850 million for 2006 according to the United Nations' World Investment Report. The dynamism in FDI was most evident in the construction, telecommunications, tourism and mining sectors. The introduction of competition in the telecommunications sector has attracted three mobile providers and over USD 150 million in investments per year since 1999. This could increase further as the GOJ is issuing two additional fiber-optic licenses to reduce the cost of internet rates. Highway 2000, Jamaica's first toll road, is being constructed by French company Bouygues under a build, operate, and transfer (BOT) model. Two segments of the project, costing over USD 500 million are already completed. A third leg connecting Kingston and the resort area of Ocho Rios is in its initial stages and is set to cost over USD 200 million.

New policies geared toward achieving further diversification and growth in the bauxite, tourism and energy sectors, investment is expected to continue the rise in foreign investment. The GOJ'S dismantling of the old bauxite levy system on a company-by-company basis, has already led to a USD 13 million expansion by Alumina Partners of Jamaica (ALPART). In 2005 Jamaica Aluminum Company (JAMALCO) announced a USD 1.2 billion plan to more than double its alumina refinery in Jamaica, the single largest investment in the country's history. Tourist attractions have also been granted similar benefits to accommodations, leading to increased investment. Over the next three years the accommodations sector is slated to receive over USD 2 billion in investment from three Spanish hotel chains as well as from foreigners investing in the proposed high-end Harmony Cove Tourism Development. The GOJ has also entered into agreements with Trinidad and Tobago to set up a liquid natural gas plant at a cost of USD 250 million and a Brazilian company, Coimex, has rehabilitated an ethanol-producing plant at a cost of USD 8 million. Another Brazilian company, Aracatu, with interests in sugar and ethanol, has expressed interest in acquiring Jamaica's sugar industry for USD 300 million.

#### Conversion and Transfer Policies

Jamaica has no restrictions on holding funds or on transferring funds associated with an investment, as the country liberalized its foreign exchange market in 1991. However, foreign exchange transactions must be conducted through authorized foreign exchange dealers, cambios and bureaux de change at market-determined rates. Foreign exchange is generally available, but companies tend to source large amounts of foreign exchange over a three to four day period. There are currently no plans to change the policies affecting investment remittances and there is no delay period currently in effect for remitting investment returns. There is no legal parallel market (tiered system) for foreign exchange following liberalization and there are no limitations on the inflow or outflow of funds for any transaction. Recently surveyed U.S. companies indicated no problems or delays in accessing foreign exchange or remitting investment returns.

#### Expropriation and Compensation

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Property rights are protected under Section 18 of the Jamaican Constitution. Expropriation of land may take place under the Land Acquisition Act, which provides for compensation on the basis of market value. Expropriation can take place before compensation is paid, but interest for the period between the expropriation and the compensation settlement must be paid. According to the law, the purpose of any expropriation must be transparent and compensation for expropriated property must be adequate. If informal negotiation on compensation fails, the investor has recourse in the courts. Jamaica has signed bilateral agreements for the reciprocal promotion and protection of investments with a number of countries, including the United States. The embassy is not aware of any litigation between the Jamaican government and any private individual or company based on expropriation or on compensation for expropriation. There are currently no laws that force local ownership.

#### Dispute Settlement

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Disputes between enterprises are handled in the local courts, but foreign investors can refer cases to the International Center for Settlement of Investment Disputes (ICSID). There have been cases of trademark infringements in which U.S. firms took action and were granted restitution in the local courts. The Jamaican Constitution provides for an independent judiciary with a three-tier court structure. Claims may be brought before the Magistrate or Supreme Court. Appeals on decisions made in these courts can be taken before the Court of Appeal and then to the Judicial Committee of the Privy Council in the United Kingdom. Plans were afoot for the Privy Council to be replaced by the Caribbean Court of Justice (CCJ), which will consider and determine appeals in civil and criminal matters from common law courts within CARICOM member states. However, the then-opposition Jamaica Labor Party (JLP) opposed the process and took the case to the Privy Council which supported their position. With the JLP now in power, it is likely that it will continue to favor a referendum, as opposed to a simple majority in Parliament. Jamaica has effective means for enforcing property and contractual rights through: (1) The Judgment and Awards (Reciprocal Enforcement) Act; (2) The Judgment (Foreign) (Reciprocal Enforcement) Act; (3) The Arbitration (Recognition and Enforcement of Foreign Awards) Act; and, (4) The Maintenance Orders (Facilities for Enforcement) Act. Under these acts, judgments of foreign courts are accepted and enforced in all cases where there is a reciprocal enforcement of judgment treaty with the relevant foreign state.

A number of disputes, involving foreign investors and GOJ, on the one hand, and foreign investors and a local association, on the other, arose during 2005. The first dispute, which is yet to be resolved as of early 2008, involves the implementation of a levy by the GOJ on in-coming telephone calls for a Universal Access Fund to finance computers and other information-related activities in Jamaican schools. However, U.S. long-distance telephone companies have been resisting the move and have requested that the Federal Communications Commission put pressure on Jamaica to desist from collecting the fees. Petroleum marketing companies are also resisting attempts by the former government to support retailers' position to implement a Code of Conduct to address market-determined issues such as the management of service stations, contract periods, goodwill and pricing. The GOJ is seeking consensus on the new rules, but petroleum companies argue that the rules impinge on the terms and conditions of

commercial arrangements and run counter to the GOJ'S free market philosophy. Marketing company Esso Standard Oil, and its dealers, represented by the Jamaica Gasoline Retailers' Association (JGRA) are also embroiled in a dispute over the multinational's pricing policy. The dispute led to a shutdown of the company's retail outlets for a week, followed by an island-wide shutdown of the country's retail outlets. The shutdown, master minded by the (JGRA), was halted following the intervention of the Ministry of Labor, which convened a meeting with the disputing parties and established a three-member Board of Inquiry to look into complaints by dealers of unfair pricing policies by Esso.

The former Mirant-owned Jamaica Public Service Company Limited (JPS) (now owned by Marubeni based in Japan) was also engaged in a dispute with the GOJ on the regulatory framework for the testing and inspection of electricity meters. The issue of regulation arose after information surfaced that the utility company improperly billed a number of customers. However, JPS initially resisted the move to test and inspect its meter by the Bureau of Standards under the Compulsory Standards Order 2005, saying that the company did not have the legal authority to carry out testing and inspection. The public service company filed an action to stay the implementation of the order, under the Standards Act in the Supreme Court. After extended negotiation the JPS and the GOJ agreed that an independent body would have responsibility for approving new meter types as well as for testing the quality of meters on importation for use in the domestic market. As a consequence, the Minister of Commerce, Science and Technology revoked the Compulsory Standards Order and the JPS withdrew the legal action.

There is a Bankruptcy Act dealing with personal insolvency, a Companies Act dealing with corporate insolvency, and other statutes such as the Bills of Exchange and the Sale of Goods Acts dealing with commercial matters. There are also extensive common law principles, which are written and consistently applied. Under the bankruptcy laws, creditors can petition for an order against an individual or a winding up order against the company and will be entitled to share in the assets of the bankrupt on a pro-rata basis, after certain specified preferential creditors such as redundant employees. The claimant has the option of settling a claim in the currency in which the debt or obligation was incurred or in local currency.

Jamaica, a signatory to the International Center for Settlement of Disputes (ICSID) since 1965, accepts international arbitration of investment disputes between Jamaicans and foreign investors. Local courts also recognize and enforce foreign arbitral awards. International arbitration is also accepted as a means for settling investment disputes between private parties. However, acting in its role as an international tribunal, the soon-to-be -implemented CCJ will interpret and apply the Revised Treaty of Chaguaramas, including the CARICOM Single Market and Economy. There is no formal domestic arbitration body in Jamaica, but disputing parties can use arbitration proceedings to settle their disputes. These proceedings would be guided by the Arbitration Act which sets out the procedures disputing parties would follow once they agree on arbitration and is read in conjunction with the Arbitration Clauses Protocol Act, which in turn makes reference to how foreign arbitral awards will be addressed. If a foreign investor's country has a BIT with Jamaica then the rules of this treaty would apply. Other foreign investors are given national treatment and civil procedures would apply.

Performance Requirements and Incentives

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Jamaica is a signatory to the World Trade Organization Agreement and is in compliance with most Uruguay Round obligations, including the TRIMS Obligations. There are no performance requirements imposed as a condition for investing in Jamaica. The GOJ offers a number of incentives to attract investments, particularly those that generate foreign exchange and expand employment. Some current incentives are non-compliant with the WTO Agreement on Subsidies and Countervailing Measures and should have been phased out by 2003. However, Jamaica was granted an extension by the WTO to revise its incentives and is awaiting reports from the World Bank-affiliated Foreign Investment Advisory Service and a local Tax Review Committee to complete the process. Chief among the current incentives are:

(a) The Export Industry Encouragement Act (EIEA) - entitles companies manufacturing products for export to non-CARICOM member countries benefits such as exemption from income and dividend taxes for up to ten years, and exemption from import duties on raw material and machinery during the incentive period. Service industries were included in 1990 and in 1996 the EIEA was amended to include companies that do not export 100 percent of their output.

(b) The Hotel Incentives Act - entitles hoteliers to income and dividend tax relief for up to ten years. Hoteliers may also receive an exemption from import duties for constructing or expanding hotels, but must have at least ten rooms and facilities for other activities. Income tax relief is granted for 15 years to hotels that meet certain qualifications including: having 10 to 350 rooms, facilities for holding conferences and operation by a qualified general manager. The Resort Cottages Incentives Act allows for income and dividend tax relief and duty-free importation of articles required to construct and equip resort cottages for up to seven years.

(c) The Motion Picture Industry Encouragement Law - motion picture producers can receive duty relief on imported goods for use in motion picture production as well as income tax exemption from the date of release or exhibition of each motion picture produced in Jamaica for a period of nine years. Producers are also granted a tax deduction of 70 percent of the capital expenditure incurred in acquiring facilities either in the year in which the cost is incurred or in any subsequent year at the option of the producer.

(d) Approved farmer status under the Income Tax Act - certified persons or companies engaged in growing food or seed crops, horticulture, aquaculture, tobacco and animal husbandry are eligible for income tax relief for up to ten years, renewable as well as concessionary duty rates on farm vehicles.

(e) The International Finance Company Act - available to finance companies conducting business solely with foreigners. With regard to Jamaican operations, non-residents must hold at least 95 percent of the loan capital. Profits of an approved corporate body are taxed at a rate of only 2.5 percent.

(f) The Shipping Incentives Act - approved shipping corporations are granted import duty and income tax concessions for a period of ten years.

(g) The Foreign Sales Corporation Act - provides exemption from income tax for five years for qualified income arising from foreign trade. U.S. law through the Tax Information Exchange Agreement (TIEA) reinforces this incentive.

(h) The Industry Modernization Program (IMP) and Moratorium on Duties - under the IMP, companies are exempt from general consumption tax on capital goods acquired for modernization. The Minister of Finance may award a moratorium on import duties on capital items for up to three years to companies, which do not qualify under existing incentive legislation and have the potential to contribute significantly to foreign exchange earnings.

(i) Accelerated Depreciation - certified companies are allowed to deduct 50 percent of the full cost of new machinery in the year of purchase and a further 50 percent in the following year.

(j) Other Incentives - a number of development banks provide concessionary financing for projects. The Jamaican National EXIM Bank provides concessionary interest rate loans for trade financing, while the Development Bank of Jamaica offers reduced lending rates to the productive sectors. The National Investment Bank of Jamaica also provides equity and quasi-equity financing for key economic sectors listed under the National Industrial Policy.

Foreign investors and their investment are generally granted national treatment status, subject to the rules outlined in their BIT. In essence, Jamaica has no performance requirements, except for companies with Free Zone status, which must export at least 85 percent of their output. Foreign firms are allowed to participate in GOJ-financed or subsidized R&D programs on a national treatment basis. Work permits are granted by the Ministry of Labor for a specified period, but are subject to the individual obtaining a working visa from the Jamaican Consulate available in or near their home state. Since 2005, foreign nationals who are conducting business on short-term basis will not require a business visa once they will be in Jamaica for a period not exceeding thirty days. However, foreign nationals will need a business visa to enter Jamaica if they are conducting business for periods exceeding thirty days. Foreign nationals who need visas for entry to Jamaica will require a business visa to conduct business.

All importers are subject to the same procedures when trading in goods and services. To qualify for entry certificates importers must obtain, inter alia, a supplier invoice, a certificate of value and origin, a declaration of value and a bill of lading and sight. Products imported into Jamaica must also meet specific acts administered by the Jamaica Bureau of Standards. In December 2001, Jamaica imposed the International Organization for Standardization ISO date representation (yy/mm/dd) as the official format for trade, but date labels are still accepted in the traditional European style (dd/mm/yy). The Jamaican economy is relatively open, but some non-tariff barriers remain. For instance, the Veterinary Division requires certification from a U.S. federal agency for all products containing animal and animal by-products irrespective of quantity or form. Highly processed products such as cookies and chips therefore require certification from a government veterinarian. The Coffee and Coconut Industry Boards also have to issue import certificates for coffee beans and cooking oils, respectively, but importers can experience lengthy delays in obtaining these permits. Under intense pressure from farmers cooperatives, the GOJ instituted a 100 percent Common External

Tariff (CET) plus an 80 percent Additional Stamp Duty (ASD), compounded to 260 percent, on whole chicken and leg-quarters and a number of imported vegetables.

#### Right to Private Ownership and Establishment

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All private entities are entitled to establish and own business enterprises and engage in all forms of remunerative activity, subject to, inter alia, labor, registration and environmental requirements. Private entities are also free to establish, acquire and dispose of interests in business enterprises. Public and private enterprises have equal access to markets, credit and business operations, such as licenses and supplies. However, if the GOJ has to compete with the private sector it does not distort the market.

#### Protection of Property Rights

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The Jamaican Constitution guarantees property rights. Jamaica has a system of registered title set out in the Registration of Titles Act, which recognizes and provides for the enforcement of secured interests in property by way of mortgage. It also facilitates and protects the acquisition and disposition of all property rights, though working through Jamaica's cumbersome bureaucracy can result in significant delays. In particular, it sometimes takes a long time for landowners to secure titles. Squatting, especially on crown lands has also become a challenge in the last ten years. Jamaica is a member of the World Intellectual Property Organization and is a signatory of the Bern Convention. Jamaica and the U.S. have an Intellectual Property Rights Agreement and a BIT, which provide assurances to protect intellectual property. However, Jamaica remains a special 301 "Watch List" country, largely because the patent law is not Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) compliant. A Geographical Indications Act (GI) was passed in 2004 to protect products that originate from localities where a particular quality or reputation is attributable to its geographical origin. General law provides protection for trade secrets. Protection against unfair competition is also provided by the general law and the Fair Competition Act.

The Copyright Act of 1993, as amended, complies with the TRIPS Agreement and adheres to the principles of the Bern Convention, and covers works ranging from books and music to computer programs. Amendments in June 1999 make explicit the provision of copyright protection on compilations of works such as databases and make it an offense for a person to manufacture or trade in decoders of encrypted transmissions. It also gives persons having rights in encrypted transmissions or in broadcasting or cable program services a right of action against persons who infringe their rights. The act needs to be amended to give effect to the provisions of the WIPO WCT and WPPT (Internet) Treaties to which Jamaica acceded in 2002. The Trademark Act of 1999 is also compliant with the TRIPS Agreement and provides the owner of registered trademarks exclusive rights for up to ten years, renewable. It provides for the protection of "well-known" marks under the Paris Convention. A TRIPS compliant Layout Designs Act has also been in effect since June 1999. The act provides protection for layout-designs for integrated circuits and gives the rights owner the exclusive right to reproduce, import, sell or otherwise commercially exploit the layout-design and to authorize other persons to do so. That right is in place for ten years and may be transferred by the rights owner.

## Transparency of Regulatory System

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A Fair Competition Act (FCA) was implemented in 1993 and is administered by the Fair Trading Commission. The main objective of the FCA is to prevent business interests and government policies from hindering the efficiencies to be gained from a competitive system. The FCA deals with misleading advertisements, price-fixing, collusion, unfair trading practices and interlocking directorships. To date the FTC has investigated over 5,000 cases, the majority of which are consumer protection related.

There are laws and policies covering taxation, labor, health and other issues to avoid distortions or impediments to the efficient mobilization and allocation of investment. However, investors argue that the Redundancy Act, which deals with severance payment, is a disincentive to investment funds. In 2001, the mandate of the Anti-Dumping and Subsidies Commission was expanded through the implementation of a Safeguards Act, which protects producers from import surges. The GOJ also established the Office of Utilities Regulation to act as regulator of the country's utilities.

Although there has been improvement in the approval process for investment projects, the time can still take anywhere from three months for Free Zone projects to over a year for green-field projects. Having recognized the problem, the GOJ has intensified its efforts to reduce bureaucracy as well as improve transparency and customer service levels within the public sector. A Ministry of Development was established to deal with investment bottlenecks. As stated above, the private sector, GOJ and USAID have also joined forces to implement a project (LEGS and REGS) to identify and deal with key legislation, regulations and processes that constrain business.

The embassy is not aware of any informal regulatory processes managed by NGOs or private sector associations or of any private sector and/or GOJ effort to restrict foreign participation in industry standards-setting consortia or organizations. However, in December 2004, the Free Trade Commission (FTC) implemented a non-legislative code of conduct governing the petroleum industry. The mandates of this code place restrictions on property sales and contracts between marketing companies and retailers, and are enforceable through fines levied by the FTC. Proposed legislation is available for public comment and submissions are generally invited from members of the public for items considered to be controversial. The legal, regulatory and accounting systems are transparent and consistent with international norms and Jamaica has adopted the new International Financial Reporting System.

## Efficient Capital Markets and Portfolio Investment

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Since the 1980s, Jamaica has initiated reforms aimed at fostering private sector activity and increasing the role of market forces in resource allocation. These reforms intensified in the 1990s, resulting in trade, financial and capital account liberalization. This has led to the availability of credit on market terms and foreigners are allowed to borrow freely on the local market at market-determined rates of interest. While some major financial products are still lacking, the private sector still has access to a variety of credit instruments.



Jamaica now has an effective regulatory system established to encourage and facilitate portfolio investment. The Financial Services Commission and the Bank of Jamaica jointly regulate portfolio investment. At the end June 2005, the country's three largest commercial banks had total assets amounting to over USD 4.7 billion or 85 percent of the entire assets of commercial banks. Five of the country's six commercial banks, including the three largest, are foreign-owned. During the mid-1990s there was a meltdown in the financial sector, but since 1998 there has been consolidation and increased output performance in the sector. Significant strides have also been made in terms of the regulatory framework, which are now in line with international standards. The non-performing loans portfolio as a percentage of the total asset base has moved from seven percent in 2000 to 2.4 percent at the end of June 2005.

Based on the Rule 404 of the Jamaica Stock Exchange (JSE), fully paid shares shall be free from any restriction on the right of transfer and from all liens. Two listed companies have clauses within their memoranda and articles of association that restrict foreign investors, but these predate the JSE. JSE listing arrangements allow for 20 percent of issued share capital to be listed, but there is no requirement that stipulates that this threshold must be maintained after listing. The rules of the JSE and the Security Acts also have specific provisions relating to the process of takeover and mergers, but these are general and given that there are no specific provisions (except in the cases mentioned above) regarding restrictions to foreign participation, it follows that there are no specific measures designed to protect against hostile foreign takeovers.

#### Political Violence

Jamaica has had no incidents involving politically motivated damage to projects and/or installations. Crime poses a greater threat to foreign investments than do politically motivated activities. There was also sporadic violence for a few days in July 2001 in response to what was perceived as "heavy-handed" police incursions into two Kingston neighborhoods considered loyal to the opposition Jamaica Labor Party. The resort city of Montego Bay also experienced a day of social unrest in 2003, in response to alleged police excesses. The street demonstration, which included the blocking of roads, affected the flow of tourists between hotels and the airport. Violent crime, rooted in poverty, unemployment and drug trafficking, is a serious problem in Jamaica, particularly in Kingston. Sporadic gang violence and shootings are concentrated in certain inner city neighborhoods, but can occur in other areas. Extortion is a serious problem in certain areas of the commercial district and on large construction projects - such as the highway project.

#### Corruption

Jamaica has a Corruption Prevention Act (CPA), which established a Corruption Prevention Commission in 2003 to, among other things: (1) receive, examine and document the statutory declarations of public sector workers; (2) receive and investigate any complaint regarding an act of corruption; and, (3) conduct investigation into acts of corruption, if satisfied there are reasonable grounds to do so. To date there has been no enforcement, as the commission lacks the capacity to enforce the filing of declarations. Recent reports suggest that non-compliance is running at over 30 percent. However, the commission will be working with the Director of Public Prosecution to have enforcement

measures implemented. The embassy is not aware of any disproportionate application of corruption measures against foreign investors, but members of the public perceive the law to be applied impartially among locals. During a recent panel discussion on governance a GOJ senator also stated that Jamaica had not done well in eliminating corruption from the public sector.

Jamaica is a signatory of the OECD Anti-Bribery Convention and has ratified the Inter-American Convention Against Corruption. Anti-corruption initiatives have been taken within the Jamaica Constabulary Force as well as some private sector organizations. Prosecutors also continue to take part in regional anti-corruption conferences, with one such conference developed by the United States Department of Justice (USDOJ). However, Jamaica is not a signatory to the UN Anticorruption Convention. The embassy is not aware of any U.S. firm identifying corruption as an obstacle to foreign investment. Transparency International (TI) performed a formal study of corruption in 2003. The TI report identifies widespread political, petty, and narcotics-related corruption as being prevalent in Jamaica. According to Transparency International's Perception Index, Jamaica scored 3.3 out of 10 in 2007, worsening slightly from 3.7 in 2006.

Under the Corruption Prevention Act (CPA) it is an offense to solicit or accept a bribe. Public servants can be imprisoned for up to ten years and fined as much as JMD ten million if found guilty of engaging in acts of bribery. Individuals and companies are also criminally liable if they bribe foreign public officials and can be prosecuted and face the same penalties. The legislation covers public officials who meet the JMD two million salary threshold and those working in sensitive positions such as police and military officers. The creation of the CPA could be viewed as evidence that GOJ officials are taking anti-corruption efforts seriously. However, financial constraints have crippled the commission's ability to fully execute its mandate of enforcing asset declarations. U.S. investors should be aware of the U.S. provisions of the Foreign Corrupt Practices Act (FCPA) which, in general, prohibits corrupt payments to foreign officials for the purpose of obtaining or keeping business. See the U.S. Department of Justice website for more information. <http://www.usdoj.gov/criminal/fraud/fcpa/>

The CPA also contains provisions for the extradition of Jamaican citizens for crimes of corruption. In April 2002, Prime Minister Patterson tabled a code of conduct in Parliament for government ministers. The 49-point code covers such issues as conflict of interest and integrity in the conduct of public and private business. The agency responsible for combating corruption is the Commission for the Prevention of Corruption. Other "watchdog" organizations operating in Jamaica include Transparency International, Jamaicans for Justice, Families Against State Terrorism and the Farquharson Institute of Public Affairs.

#### Bilateral Investment Agreements

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Jamaica has investment treaties with the United States (Feb. 1994, which came into force in March 1997), Argentina (Feb. 1994), France (Jan. 1993), Italy (Sept. 1993), Germany (Sept. 1992), Netherlands (Apr. 1991), Switzerland (Dec. 1990), the United Kingdom (Jan. 1987), China (1998), Cuba (May 1997), Egypt (Feb. 1999), Indonesia (Feb. 1999) and Zimbabwe (Feb. 1999) and is presently negotiating bilateral investment agreements with South Korea, Costa Rica, Belgium, Russia and Canada. Jamaica has

also signed and ratified double taxation agreements with the U.S., Canada, CARICOM, China, Switzerland, Germany, Norway, Sweden, Denmark and the United Kingdom.

#### OPIC and Other Investment Insurance Programs

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The Overseas Private Investment Corporation has identified infrastructure, telecommunications, construction, tourism and energy as areas where its programs can have an impact in Jamaica. OPIC political risk insurance can insure up to USD 40 million per project. OPIC also provides medium to long-term financing to ventures with significant U.S. participation. OPIC can normally guarantee or lend from USD 0.1 to 250 million per project. OPIC is currently providing USD 190 million in insurance and financing support for five projects in Jamaica in the construction, energy, telecommunications and tourism sectors. The country became a signatory to the Multilateral Investment Guarantee Agency in 1986 and ratified the agreement in 1987.

The foreign exchange market remained relatively stable for the first half of 2007, depreciating by 1.6 percent. This was a carry-over from the stability experienced during 2006. However, some volatility emerged between July and October of 2007 with the exchange rate depreciating by 4.4 percent. There was a decline in private capital inflows reflecting portfolio switching as the interest rate differential between Jamaican dollar and U.S. dollar denominated bonds narrowed. Supplies were also impacted by lower tourism receipts. On the demand side, with general elections pending, investors were also keen to switch to foreign denominated assets as a hedge against possible political instability. Demand was also driven by the external financing activities of Air Jamaica, as well as increased demand by some private sector entities to facilitate dividend payments. With international commodities prices rising, more foreign exchange was also required to buy the same amount of goods and services. The instability was further buoyed by the high level of Jamaican dollar liquidity and this forced the central bank to sell a portion of its Net International Reserves (NIR) to the market to alleviate the demand pressures. Notwithstanding, the holdings of NIR remained at a relatively healthy USD 2 billion. The rising commodities prices coupled with hurricane-related shocks to domestic agriculture influenced a jump in prices to 10.5 percent at the end of October 2007, well above the projection of 6-7 percent for the full calendar year.

#### Labor

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Jamaica had an estimated labor force of 1.1 million at the end of 2006, of which 10.3 percent was unemployed. Since 1999 there has been a steady supply of people trained in information technology, particularly for call centers, and most of these workers have been absorbed by the growing call center industry. There has also been a jump in the number of university graduates, but the numbers have been depleted by migration to North America and the UK. This has apparently led to a shortage of highly educated and experienced labor as evidenced by the number of advertisements for these workers in the newspapers weekly. On the other hand, there has been a marked increase in the number of work permits issued to expatriates particularly in the services sectors. In 2006, a total of 5,927 permits were issued, down 2.9 percent. This figure climbed in 2007, as the newly appointed Minister of Labor and Social Security embarked on a program to have illegal workers legalized. Illegal workers were granted an amnesty to have their status legalized.

Jamaica has an active and strong trade union movement with membership equal to an estimated 20 percent of the labor force, although the movement is considerably weaker now than has traditionally been the case in Jamaica. Labor relations have traditionally been adversarial due to the level of distrust between workers and management. However, both parties have attempted to enhance the relationship between them by enacting a program for the management of labor cooperation (PROMALCO) launched in April 2002. There is also a memorandum of understanding on labor arrangements between unions and employers in the bauxite industry and the GOJ and unions for public sector workers. As a consequence, industrial disputes declined from 164 to 129 and the number of work stoppages declined from 29 to 16.

Jamaica has ratified the following ILO Conventions: Right of Association (Agriculture) Convention 1921 – ratified July 8, 1963; Freedom of Association and Protection of the Right to Organize Convention, 1948 - ratified December 26, 1962; and, Right to Organize and Collective Bargaining Convention, 1949 – ratified December 26, 1962. The GOJ is adopting the ILO policy on HIV/AIDS in the workplace. The GOJ, working in conjunction with the ILO and local stakeholders, has also developed a national plan of action on flexibility in working time to guide flexible working arrangements in Jamaica. Under the Work Permit Act, a foreign national who wishes to work in Jamaica must first apply for a permit issued by the Ministry of Labor. The law, which seeks to give first preference to Jamaicans, requires organizations planning to employ foreign nationals to prove that attempts were made to employ a Jamaican national.

#### Foreign-Trade Zones/Free Ports

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Jamaica's Free Zones Act allows investors to operate solely with foreign exchange in activities such as warehousing, redistribution, manufacturing, refining, processing, assembling, packaging and services such as insurance and banking. Incentives offered include a 100-percent tax holiday in perpetuity, no import licensing requirements and exemption from customs duties on construction and raw materials, capital goods and office equipment. Manufacturing companies operating in the Free Zones are allowed to sell 15 percent of their production on the local market with the approval of the responsible minister. Duty-free zones are primarily found in airports, hotels and tourist centers and as with free zone activities, do not discriminate on the basis of nationality. The Kingston and Montego Bay Free Zones provide factory space for the above listed activities. Amendments have also been made to the Jamaica Export Free Zone Act to allow for the establishment of Single Entity Free Zones, with individual companies now designated as free zones. The Kingston Free Zone has recently developed an Informatics Park.

For foreign trade zone information investors can contact:

Mr. Winston Boothe, Senior Vice-President, Operations, Kingston and Montego Bay Free Zones, 27 Shannon Drive, Kingston 15, Tel: (876) 922-0290-8; 923-5274-5/6021; Fax: (876) 923-6023. 1 Mangrove Way, Montego Bay Free Port, P.O. Box 1377, Montego Bay, Tel:(876) 979-8696; Fax (876) 979 8088; Email: wboothe@portjam.com

Ambassador Stewart Stephenson, General Manager, Factories Corporation, 1 King St. Kingston, Tel: (876) 924-9600 -1; Fax: (876) 924-9630; Email: factories@cwjamaica.com

Foreign Direct Investment Statistics  
f. Foreign Direct Investment Statistics

Table 1: FDI Stock in Jamaica (USD Million)

	1995	2000	2001	2002	2004	2005	2006
Inward	1,568	3,318	4,040	4,409	5,783	6,335	7,264
Outward	42	709	798	872	1,079	1,174	1,257

Source: World Investment Report, 2005

Table 2: FDI Stock as a Percent of GDP

	1995	2000	2001	2002	2004	2005	2006
Inward	32.3	43.0	50.5	56.7	66.4	65.1	68.8
Outward	6.3	9.2	10.3	11.2	12.4	12.1	11.9

Source: World Investment Report, 2005

Table 3: Inward FDI (USD Million)

	2000	2001	2002	2003	2004	2005	2006
Direct Investment	469	614	479	721	602	683	882
Bauxite Sector	98	84	108	150	57	112	336
JAMPRO	136	110	79	201	n/a	173	315
Ret. Earnings	116	116	162	158	178	202	132
Divestment	41	234	84	0	0	0	0
Other	79	71	46	212	367	197	99

Source: Bank of Jamaica

Table 4: Inward FDI as a percentage of GDP

	2000	2001	2002	2003	2004	2005
Direct Investment	6.9	8.7	6.6	9.5	6.7	7.9
Bauxite Sector	1.4	1.2	1.5	2.0	0.7	1.3
JAMPRO	2.0	1.6	1.1	2.6	0.9	2.0
Ret. Earnings	1.7	1.6	2.2	2.1	2.0	2.3
Divestment	0.6	3.3	1.1	0.0	0.0	0.0
Other	1.2	1.0	0.6	2.8	3.2	2.3

Source: Bank of Jamaica

Table 5: FDI Projects Facilitated by Jamaica Promotions by Sector (USD Million)

	00/01	01/02	02/03	03/04	04/05	05/06	06/07
TOTAL	457.7	289.2	462.7	105.8	153.8	233.2	265.7
Agriculture	0.0	0.0	5.6	2.9	6.4	3.0	0.0
Music, Film, Ent.	8.7	9.8	9.4	14.2	12.3	15.0	0.0
Info Tech.	206.1	186.0	277.0	45.9	11.4	64.3	55.7
Manufacturing	31.1	56.5	85.6	31.1	0.0	11.1	38.9
Mining/Chemicals	33.1	0.4	30.4	0.4	4.6	16.0	1.3
Tourism	178.7	36.5	54.6	11.1	119.2	123.9	169.8

Source: Jamaica Promotions Agency (JAMPRO)

Table 6: FDI Projects Facilitated by JAMPRO by Selected Country of Origin, FY 99-07

Country and Sector	JDOLS Millions	
BELGIUM		
Agriculture	1.0	
Film	2.3	
Tourism	100.0	
CANADA		
Film	126.7	
Information Technology	7,068.2	
Manufacturing	546.3	
Mining and Chemical	213.5	
Music	0.1	
CAYMAN ISLAND		
Film	0.2	
Tourism	78.2	
DOMINICAN REPUBLIC		
Information Technology	276.0	
Manufacturing	284.9	
GERMANY		
Film	131.3	
ITALY		
Film	1.2	
Tourism	58.3	
JAPAN		
Film	14.2	
RUSSIA		
Film	228.5	
SOUTH AFRICA		
Film	0.8	
Manufacturing	27.2	
SPAIN		
Tourism	26,536.0	
ST. LUCIA		
Manufacturing	88.6	
TAIWAN		
Agriculture	570.4	
TRINIDAD AND TOBAGO		
Film	0.2	
Mineral and Chemical	1,466.8	
Manufacturing	2,327.0	
U.S.A.		
Agriculture	182.0	
Film	1,414.9	
Information Technology		13,508.7
Manufacturing	2,367.0	
Mining and Chemicals	674.2	
Textiles	102.5	
Tourism	6,378.3	
UNITED KINGDOM		
Film	277.9	

Information Technology	9,277.1
Manufacturing	1,842.3
Music	1.5
Tourism	124.1
MULTIPLE OWNERS	
Film	784.6
Tourism	1,629.1

Source: JAMPRO (does not capture all new investments)

Jamaica has a long history of attracting foreign direct investment. Among the major U.S. investors operating in Jamaica are:

-----  
Accounting and Consulting  
-----

Deloitte and Touche  
Ernst & Young  
KPMG Peat Marwick  
Price Waterhouse-Coopers  
Reliance Consulting Group

-----  
Advertising  
-----

Lindo Foote, Cone & Belding (FCB)  
McCann Erickson (Ja.) Ltd.

-----  
Agribusiness and Beverages  
-----

ADM Milling Company  
Cifuentes y Cia  
Coca Cola Jamaica  
Nabisco Brands, Inc.  
Pepsi-Cola Jamaica Bottling Plant  
Kraft Foods

-----  
Banking & Finance  
-----

Citibank N.A.  
Joslin Jamaica Ltd

-----  
Chemicals/Pharmaceuticals  
-----

Alkali Group of Companies  
Antilles Chemical Co.  
Cetco Water Laboratories  
Diversey-Lever Jamaica Ltd.

Fabcon (Caribbean) Ltd  
GlaxoSmithKline Beecham International  
Industrial Gases Ltd. (IGL)  
Sherwin Williams W.I. Ltd.

-----  
Computers and Data Processing  
-----

Affiliated Computer Services (ACS)  
Copia Wireless Communications Ltd  
Data Key Processors Jamaica Ltd.  
E-Services Group International  
Fargo Electronics  
IBM World Trade Corp.  
Jamaica Digiport Int'l Ltd.  
Media Track Inc.  
Merit Communications  
Microsoft  
New Horizons Learning Centre  
Oceanic Digital Jamaica Ltd.  
Overdrive Jamaica Ltd  
Productive Business Solutions Ltd.  
Satellite Image Systems Jamaica Ltd  
Standard Data Systems  
Verizon International Teleservices

-----  
Consumer Products  
-----

Colgate Palmolive  
Curves Jamaica  
Dryclean USA  
F. W. Woolworth & Co. (Ja.) Ltd.  
Gillette Caribbean  
Hi-Pro Ace Farm & Garden Supercenter  
Johnson & Johnson  
KIWI Brands Caribbean Ltd.  
Mead Johnson  
Meineke  
PriceSmart  
Rooms-to-Go  
Tile City & Home Centre (Do It Best)  
True-Value Hardware

-----  
Courier, Remittances and Transportation Service  
-----

DHL  
Econocaribe Consolidators, Inc.  
Federal Express  
International Bonded Couriers

3/26/2008



Sea-Land Service, Inc.  
UPS  
Western Union

-----  
Education  
-----

Florida International University  
Nova Southeastern University  
Tranquility Bay (World Wide Association of Specialty Programs)  
University of New Orleans

-----  
Insurance  
-----

American Home Assurance Co.  
Blue Cross Shield of Jamaica

-----  
Manufacturing, Assembly, Construction and Recycling  
-----

Baywind Manufacturing Ltd.  
Caribbean Paper Recycling Co., Ltd.  
3-M Interamerica Inc.  
Custom Marble & Design Jamaica Ltd.  
Econ Industries Inc.  
Goodyear Jamaica Ltd. (Distributor)  
Hofmann and Leavy Jamaica Ltd.  
Jamaica Bow Co. Ltd.  
Jamaica Pre-Mix Ltd (Ledhgill International)  
Jockey International Jamaica Ltd.  
Johnson & Johnson  
Sealy Mattress Company  
Sherwin Williams W.I. Ltd  
Singer Sewing Machine Co. Ltd.  
Sportswear Producers Ltd.  
West Indies Nutritional Corporation Ltd.  
Williamson Dickie Jamaica Ltd.

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Mining & Energy  
-----

Alcoa Minerals of Jamaica, Inc.  
Alumina Partners of Jamaica (ALPART)  
Esso Standard Oils S.A. Ltd.  
JAMALCOA  
Jamaica Energy Partners  
Jamaica Private Power Company Ltd.  
Kaiser Bauxite Company  
St. Ann Bauxite Partners (Century Aluminum)  
Texaco Caribbean Inc.

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## Real Estate and Project Management

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Century 21 Heave-Ho Properties Ltd  
Coldwell Banker Jamaica Realty  
Boyken-Mortimer International LLC

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## Tourism and Hospitality Industry

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American Airlines  
American Express Int'l Inc.  
Apple Vacations  
Avis Rent-A-Car  
Baskin Robbins  
Budget Rent-A-Car  
Churches Fried Chicken  
Chester's Fried Chicken  
Continental Airlines  
Delta Airlines  
Domino's Pizza (Partner foods)  
Hertz (Liberty) Car Rental  
Hilton (Kingston) Hotel  
Holiday Inn Sunspree Resort  
Kenny Rogers Roasters Chicken  
Margaritaville Ltd  
Northwest Airlines, Inc.  
Pizza Hut  
Popeye's Chicken and Seafood  
Renaissance Jamaica Grande Hotel  
Resort Property  
Restaurants Associates Ltd. – Burger King  
Restaurants of Jamaica Ltd. – Kentucky Fried Chicken  
Ritz Carlton Hotel  
Rose Hall Developments Ltd  
Rose Hall Resort & Country Club  
Spirit Airlines  
Subway (Ja.) Ltd.  
Tavistock Group (Harmonisation Ltd)  
TCBY Frozen Yogurt  
TGI Friday's  
U.S. Airways  
Wendy's

## Web Resources

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## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
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### How Do I Get Paid (Methods of Payment)

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The most common method of payment is via a letter of credit. Depending on the circumstance, cash in advance may be requested but many Jamaican companies would be cautious about using that method. After a good business relationship has been formed, companies in good standing may move towards trading on open account. There are currently no local credit rating agencies in Jamaica, but there have been moves towards establishing a regional credit agency. On occasion, U.S. firms complain about not getting paid by local companies and trade complaints are registered.

### How Does the Banking System Operate

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Financial Institutions in Jamaica provide a full range of services and solutions for individual and business/corporate banking. These include current accounts, savings accounts, loans, credit cards and Internet banking (not all institutions). Most credit cards issued by a local bank are for use in Jamaica only, but international credit cards have grown in importance.. At the end of 2006 there were 133 financial institutions of which six were commercial banks, four were building societies, 17 were insurance companies, 50 were Securities Dealers, 47 were Credit Unions, four were Development Banks and the rest were institutions registered under the Financial Institutions Act. These institutions provide services ranging from retail and corporate services to development and export financing. The Bank of Jamaica and the Financial Services Commission regulate the financial system. The Jamaica Deposit Insurance Corporation provides insurance for deposit taking institutions. Following the meltdown of the financial sector in the 1990s the GOJ increased the prudential and supervisory powers of the BOJ by passing the Financial Institutions Act and the Banking Act. Amendments were also made to the regulations governing Building Societies. A Deposit Insurance Corporation (JDIC) and a Financial Services Commission (FSC) were introduced to protect depositors and regulate institutions and brokers outside the scope of the Central Bank's oversight. These adjustments have brought the regulatory standards governing the financial sector up to international standards and should therefore aid rather than impede businesses.

## Foreign-Exchange Controls

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Since liberalization of the financial and capital accounts in the 1990s, all foreign exchange controls have been removed, but the BOJ still regulates activities in the foreign exchange market. Foreign currency can be accessed through a network of authorized foreign exchange dealers, cambios and bureaux de change at market-determined rates.

## U.S. Banks and Local Correspondent Banks

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Citigroup currently operates in Jamaica, but it does not offer retail-banking services. The Jamaica National Building Society (which specializes in home mortgages) is the only Jamaican financial institution with branches in the U.S. All Jamaican commercial banks have correspondent U.S. banking arrangements.

## Project Financing

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Major projects are financed by one or a combination of the following methods: own funds; bank loans; retained earnings; equities; development bank financing; international private capital; bonds and bilateral and multilateral loans and grants.

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Inter-American Development Bank [www.iadb.org](http://www.iadb.org)

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## Chapter 8: Business Travel

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- [Telecommunications](#)
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- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
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### Business Customs

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Jamaica is a former British colony and visitors will note similarities between what happens in Jamaica and the U.K. in terms of practices, traditions and customs. At the same time, business practices from North America have been growing in influence. In Kingston, depending on the type of business, a business suit or blazer is normal – especially for a first meeting. Dress tends to be less formal in resort areas such as Montego Bay and Ocho Rios but even in these areas overly casual attire might not create a good impression.

### Travel Advisory

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[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1147.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1147.html)

### Visa Requirements

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U.S. citizens can enter the country with either a passport or proof of citizenship (a certified true copy or original birth certificate) and a photo I.D. (e.g., valid driver's license). No visa is required. Effective 2005, foreign nationals who are conducting business on short-term basis will not require a business visa once they will be in Jamaica for a period not exceeding thirty days. However, foreign nationals will need a business visa to enter Jamaica if they are conducting business for periods exceeding thirty days. Foreign nationals who need visas for entry to Jamaica will require a business visa to conduct business. Affidavits will not be accepted by the immigration office.

U.S. Companies that require travel of foreign businesspersons to the United States should allow sufficient time for visa issuance if required. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

## **Telecommunications**

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Jamaica has a modern and fully liberalized telecommunications system, which has seen phenomenal expansion since 2001. Former monopoly full-service provider, Cable and Wireless Jamaica Ltd (CWJ) now faces competition from Digicel (offers GSM mobile service) and Oceanic Digital (CDMA mobile service). Oceanic Digital was recently bought by America Movil. ATT Wireless purchased a third mobile license, but failed to meet the terms of the license and it will therefore be sold to another bidder. There are several Internet service providers – the main ones being new player FLOW, C&W and Infochannel. All three provide high speed ADSL service. In January 2005, licenses were granted to allow the provision of two additional submarine fiber-optic cable connections for international communications. To date only FLOW has rolled out its service.

## **Transportation**

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Jamaica has two international airports – Norman Manley in Kingston and Sangster in Montego Bay. Most business people traveling between Kingston and the United States choose either American Airlines or Air Jamaica. However there are several other options such as U.S. Air and Spirit, which have daily flights to Kingston and Montego Bay. Other airlines serving Montego Bay include Delta, Northwest and Continental. The airport in Montego Bay is the larger and has been upgraded to international standards. This airport also has more flights and airline options. A relatively new company, International Air Link ([www.intlairlink.com](http://www.intlairlink.com)) now offers small plane service to Kingston, Montego Bay, Ocho Rios and Negril. Ground transportation is available through taxis, car rental and public transportation, but allowance should be made for possible delay arising from traffic congestion in capital city Kingston. However, while public transportation is much improved, it is still not recommended for business purposes.

## **Language**

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The language spoken is English. (There is also a Jamaican dialect known as patois.)

## **Health**

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Jamaica has a number of public and private hospitals. Most public hospitals have deteriorated over time due to lack of capital expenditure. At least one major hospital operates a private wing, which provides world-class health care. While there is significant room for improvement in sanitation standards, the existing state of the health sector compares favorably with other developing countries. The Embassy is not aware of any potential health risks of which businesspersons should be notified.

## Local Time, Business Hours, and Holidays

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The normal working day for government offices and factories is 8:30 a.m. to 5:00 p.m. Monday through Thursday, and 8:30 a.m. to 4:00 p.m. on Fridays. Government offices are generally closed on Saturday and Sunday. Almost all commercial businesses are open on Saturday, but only few open on Sunday. Jamaica is on Eastern Standard Time (EST) year round and does not observe daylight savings time.

Holidays observed in Jamaica are the following:

New Year's Day.....	January 1
Ash Wednesday .....	Variable
Good Friday .....	Variable
Easter Monday .....	Variable
National Labor Day .....	May 23
Emancipation Day .....	August 1
Independence Day .....	August 6
National Heroes Day .....	October (Variable)
Christmas Day.....	December 25
Boxing Day.....	December 26

## Temporary Entry of Materials and Personal Belongings

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Those who wish to bring in items temporarily such as software, exhibit material, etc., are required to identify the items at Customs, pay the required duty and General Consumption Tax (as security) and collect a refundable revenue deposit receipt. On exit from the country, the Customs authority refunds the entire amount paid as security. In the case of importing machinery for just three to six months, the above procedure applies in addition to completed Customs Form C25. Laptop computers can be brought in duty free.

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<http://usembassy.state.gov/kingston/>

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## Chapter 9: Contacts, Market Research, and Trade Events

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- [Trade Events](#)

### Contacts

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Ministry of Agriculture [www.moa.gov.jm](http://www.moa.gov.jm)  
Ministry of Commerce, Science and Technology [www.mct.gov.jm](http://www.mct.gov.jm)  
Ministry of Education, Youth and Culture [www.moec.gov.jm](http://www.moec.gov.jm)  
Ministry of Finance and Planning [www.mof.gov.jm](http://www.mof.gov.jm)  
Ministry of Foreign Affairs and Foreign Trade [www.mfaft.gov.jm](http://www.mfaft.gov.jm)  
Ministry of Health [www.moh.gov.jm](http://www.moh.gov.jm)  
Ministry of Industry and Tourism [www.visitjamaica.com](http://www.visitjamaica.com)  
Ministry of Justice [www.moj.gov.jm](http://www.moj.gov.jm)  
Ministry of Labor and Social Security [www.lmis-ele.org.jm](http://www.lmis-ele.org.jm)  
Ministry of Local Government and Community Development [www.mlqcd.gov.jm](http://www.mlqcd.gov.jm)  
Ministry of National Security [www.mns.gov.jm](http://www.mns.gov.jm)  
Ministry of Transport and Works [www.mtw.gov.jm](http://www.mtw.gov.jm)  
JAMPRO [www.investjamaica.com](http://www.investjamaica.com)  
Private Sector Organization of Jamaica [www.psoj.org](http://www.psoj.org)  
Jamaica Manufacturers' Association [www.jma.com.jm](http://www.jma.com.jm)  
Jamaica Chamber of Commerce [www.jcc.org.jm](http://www.jcc.org.jm)  
American Chamber of Commerce of Jamaica [www.amchamjamaica.org](http://www.amchamjamaica.org)  
  
U.S. Commercial Service [www.buyusa.gov/caribbean](http://www.buyusa.gov/caribbean)

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

### Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>



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## Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

[www.buyusa.gov/caribbean](http://www.buyusa.gov/caribbean)

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.